

Guide to the 2009 UBA Health Plan Survey

How to use data from 12,316 small-
and mid-sized employers to
benchmark your plan and employee
contributions

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Is your employee health plan fair, competitive and an asset for recruitment and retention?

To answer that question, employers must benchmark against *relevant data*.

That's why the annual UBA Health Plan Survey is such a valuable tool. This survey provides up-to-date information that can be used to compare both *your plan and employee contributions* to what's being offered by other employers locally, regionally, nationally, and in your specific industry.

Plus, unlike other surveys that gather data from the nation's largest corporations, the 2009 UBA Health Plan Survey focuses on the "Main Street" employers — companies with 25-500 employees — that make up the majority of U.S. businesses. This means apples-to-apples comparisons can be made on premiums, contributions, types of plans, and plan design.

Before working with the actual data, however, it's helpful to know what's in the survey and how it can be used to look at your own health plan. This overview provides you with a solid starting point.

What kinds of employers participated?

Acronyms used in the Survey

CDHP	Consumer Driven Health Plans (high-deductible plans)
DCCA	Dependent Child Care Account
EPO	Exclusive Provider Organizations (no benefits for out-of-network providers)
FFS	Fee For Service (indemnity plans)
FSA	Flexible Spending Account
HMO	Health Maintenance Organization (no benefits for out-of-network providers)
MRA	Medical Reimbursement Account
PDP	Prescription Drug Plan
PPO	Preferred Provider Organization (better reimbursement/coverage for in-network providers)
Rx	Prescription drug

The 2009 survey report focuses on small and mid-sized companies, while including a mix of large companies in rough proportion to their actual representation in the U.S. economy. This comprehensive cross-section of nationwide data was gathered from October 2008 to June 2009 by the UBA member network of 136 independent benefit advisory firms. The scope of the survey includes:

- 3,000 communities in all 50 states plus DC
- 12,316 employers nationwide
- 17,655 health plans covering 2.4 million employees and 5.5 million total lives

What questions can the survey help employers answer?

Employers want to know three things about their health plans:

1. Do we have a "good" plan?
2. Are employee contributions too high, too low, or fair?
3. Is the plan competitive compared to what similar employers offer?

To answer these questions, the UBA Health Care Survey provides benchmark data on both plan design and plan cost (both premiums and employee contributions). Specifically, it covers:

National Data

- The type of plans offered
- Percentages of employees enrolled in each type of plan
- Eligibility provisions
- General plan information
- Cost per employee
- Premiums and contributions
- Plan designs (deductibles, co-insurance, out-of-pocket, co-pays, lifetime benefits)
- Coverage provisions
- Prescription drug plans
- Retiree plans

Comparison Data (*plan types, premiums, premium increases, employee contributions, participation, etc.*)

- Regional
- By size of the organization (number of employees)
- By industry sector

Trends and findings: a “topline” summary

Type of plan offered

- PPOs continue to dominate the market, while HMO share continues to slip
- CDHP plan enrollment is now third, after PPOs and HMOs
- FFS plans and EPOs have functionally disappeared from the marketplace

How employers define eligibility:

- 52.8%: 30 hours per week
- 16.6%: 40 hours per week
- 13.5%: Fewer than 30 hours per week

General plan information

- 35.7% offer more than one health plan choice
- 52.7% of covered employees also elect dependent coverage
- 2.8% of employers offer a bonus to employees to waive medical coverage (avg. bonus: \$1,424)
- 8.7% of all plans are self-funded, compared with 65.3% of all large-employer (over 1,000 employees) plans

Annual cost per employee

- Average cost of \$7,646 (\$3,298 employee/\$4,347 employer)
- FFS plan employee costs increased 60.7% from 2008 — yet employer cost increased just 6%

Premiums and contributions for employer-sponsored plans

- Average premiums: \$388 single coverage/\$944 family coverage
- 29.4% of plans required no employee contributions for single coverage
- For plans requiring contributions, the average was \$105 single coverage/\$419 family coverage
- Employee contributions as a percent of average premium: 27.7% single/45.5% family
- Average premiums increased 7.3% across all plans (down from 7.4% in 2008)

Plan designs

- 90.6% of PPO plans have in-network single deductibles (compare with 22.2% of HMOs)
- 78.4% of all wellness plans offer a health risk assessment

Copay median (averages available in full survey results)

- Primary Care office visit: \$20
- Specialist office visit: \$30
- Urgent care: \$40
- Emergency room: \$100
- Hospital admissions: \$300

Prescription Drug Plans

- 82.7% utilize copays
- 71.7% utilize three tiers (generic, formulary brand, non-formulary brand)
- 9.3% of plans now have a separate Rx drug deductible (avg. \$150 single/\$250 family)

Retiree Plans

- 8.6% of employers offer retiree coverage (for employers of over 200 employees, the average is 32.1%)
- Of employers offering retiree plans, 34.3% extend coverage to Medicare-eligible employees only
- Avg. Medicare-eligible retiree single premium: \$352
- 80.1% of employers make no contribution to Medicare-eligible retiree plan premiums
- Rx is covered for Medicare-eligible retirees 73.5% of the time, with 82.1% of these plans being reimbursed by Medicare Part D

Drilling down: finding specific benchmarks for your type of plan, company size, industry and region

This overview gives you a feel for the scope of data available in the 2009 UBA Health Plan Survey. Each year, our benefit advisors work with CEOs and HR professionals to use this information to make strategic decisions about particular plans. In addition, the data is very useful in letting both employees and job candidates understand how a company's health care plan compares to what competitors may be offering.

The full Health Plan Survey is available from UBA for \$1,800. However, employers interested in a **free assessment of their health plans** may contact Independent Benefit Services. Our experienced team of benefit specialists will use the 2009 Survey data to provide an initial consultation of how your plan compares and what changes could make your plan more competitive, cost-effective, and successful at supporting your company's vision and strategic business goals. **To take advantage of this free assessment, simply contact Neil Simons at 301-921-7804 or Neils@iben.com.**

Neil R. Simons founded Independent Benefit Services in 1989. He has been awarded the industry's prestigious Golden Eagle Award every year since 1998. He is a charter member of United Benefit Advisors (UBA), an alliance of nearly 140 premier independent benefit advisory firms, and currently serves on UBA's Board of Directors.

Independent Benefit Services (iBEN) helps employers boost retention, recruitment and productivity through strategic decisions about health and wellness programs, retirement plans, executive benefits and HR outsourcing. With one of the most experienced teams of advisors in the region and access to UBA's unparalleled network of research and resources, iBEN consistently delivers bottom-line value to businesses ranging from just a few local employees to those with thousands of employees spread around the world.

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